TRANSMITTAL OF RESPONSE TO EXAMINER'S ANSWER TO APPEAL BRIEF

Docket No.
37202/102001; 990006

In re Application of: Rod A. Cherkas

Application No.	Filing Date	Examiner	Group Art Unit
09/900,485-Conf. #4159	July 6, 2001	S. E. Chencinski	3691

Invention: AUTOMATED, USER SPECIFIC TAX ANALYSIS OF INVESTMENT TRANSACTIONS USING A PERSONAL TAX PROFILE

TO THE COMMISSIONER OF PATENTS:

Transmitted herewith is a response to the Examiner's Answer dated December 26, 2008, to the Appeal Brief filed September 18, 2008. Applicant believes no fee is due for this response. However, if Applicant is in error, please charge any requisite fees due, or credit any overpayment, to the Deposit Account listed below, from which the undersigned is authorized to draw.

[x] Large Entity [ ] Small Entity

[ ] A petition for extension of time is also enclosed.

The fee for the extension of time is _____ .

[ ] A check in the amount of _____ is enclosed.

[ ] Charge the amount of the fee to Deposit Account No. 50-0591 .
This sheet is submitted in duplicate.

[ ] Payment by credit card. Form PTO-2038 is attached.

[x] The Director is hereby authorized to charge any additional fees that may be required or credit any overpayment to Deposit Account No. 50-0591

/Robert P. Lord/ Dated: February 25, 2009

Robert P. Lord
Attorney Reg. No. 46,479
OSHA · LIANG LLP
3945 Freedom Circle, Suite 300
Santa Clara, California 95054
(408) 727-0600
(408) 727-8778 (Fax)

Docket No.: 37202/102001; 990006
(PATENT)

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Patent Application of: Rod A. Cherkas	Confirmation No.: 4159
Application No.: 09/900,485	Art Unit: 3691
Filed: July 6, 2001	Examiner: S. E. Chencinski

For: AUTOMATED, USER SPECIFIC TAX ANALYSIS OF INVESTMENT TRANSACTIONS USING A PERSONAL TAX PROFILE

APPELLANTS' REPLY BRIEF UNDER 37 CFR § 41.41

MS Appeal Brief - Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Madam:

Pursuant to 37 C.F.R. § 41.41, please consider the following Appellant's Reply Brief in the referenced Application currently before the Board of Patent Appeals and Interferences. The present Reply Brief is in response to the Examiner's Answer dated December 26, 2008.

I. STATUS OF CLAIMS

U.S. Application Serial No. 09/900,485 ("the '485 Application") was filed on July 6, 2001. Claims 1-26 remain pending. Claims 1, 19, 20, 22, and 24 are independent. The remaining claims depend, directly or indirectly, from claims 1, 20, 22, and 24.

All the pending claims were finally rejected in an Office Action dated November 30, 2007 ("Final Rejection"). No after-final amendments were made. Therefore, all amendments have been entered. A Pre-Appeal Brief and Request for Review was filed, along with a Notice of Appeal, on February 15, 2008. A Notice of Panel Decision maintaining the rejection of claims 1-26 was mailed on July 21, 2008. An Appeal Brief was filed on September 18, 2008. In response, the Examiner issued an Examiner's Answer dated December 26, 2008.

Claims 1-26 are on appeal.

II. GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

The present Appeal addresses the following grounds of rejection:

- Whether claims 1-20 are unpatentable under 35 U.S.C. § 101 as being directed toward statutory subject matter.
- Whether claims 1, 19, 20, 22, and 24 meet the written description requirement under 35 U.S.C. § 112, first paragraph.
- Whether claims 1-20 are patentable under 35 U.S.C. § 112, second paragraph, as being complete claims that do not omit essential steps of the invention.

- Whether claims 1-26 are patentable under 35 U.S.C. § 103(a) over US Patent No. 6,161,098 ("Wallman").

III. SUPPLEMENTAL ARGUMENTS

Appellants submit the following supplemental remarks in response to the Examiner's Answer.

A. Rejection(s) under 35 U.S.C. § 101

Claims 1-20 are rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter. Specifically, the Examiner asserts that the claims do not transform subject matter. Appellants respectfully disagree.

"A claimed process is surely patent-eligible subject matter under § 101 if: (1) it is tied to a particular machine or apparatus, *or* (2) it transforms a particular article into a different state or thing." *In re Bilski*, No. 2007-1130, slip op. at 10 (Fed. Cir., 2008). The "transformation must be central to the purpose of the claimed process." *Id.* at 24. Further, the transformed article may include "any physical object or substance, or an electronic signal representative of any physical object or substance." *Id.* at 28.

The independent claims 1, 19, and 20 positively recite *storing* a tax profile in a tax profile data. The tax profile includes tax return data associated with a user. Storing of tax data in a database is clearly a transformation of underlying subject matter (*i.e.,* tax data). The material that is being changed to a different state is clearly identified as the tax return data that is stored in the tax profile. Further, storing the tax profile is a central element in the purpose of the claimed process,

which is to use the data stored in the tax profile to predict a user's total future tax liability. Without the stored tax profile, the entire purpose (*i.e.,* prediction of the total future tax liability) of the invention would not be possible.

Further, *Bilski* does not require the transforming step to be recited at the end of the claim. In the instant case, the transforming step, *i.e.,* storing of tax return data in the tax profile, is recited as the first step in the independent claims. Appellants assert that the claimed sequence represents reduction of an article (*i.e.* tax return data from a form or a user) to a different state or thing (*i.e.* data stored in the tax profile), regardless of when the transformation step occurs in the claimed sequence.

In view of the above, claims 1-20 (independent claims 1, 19, and 20 as well as dependent claims 2-18) are directed toward statutory subject matter as it is abundantly clear that a transformation of an underlying article takes place in the claims. Accordingly, withdrawal of this rejection is respectfully requested.

B. Rejection(s) under 35 U.S.C. § 112, First Paragraph

Claims 1-26 are rejected under 35 U.S.C. § 112, first paragraph, as failing to comply with the enablement requirement. The Examiner asserts that details of the tax engine are not provided, and there are numerous subjective decision points in the Specification for implementing the invention. Specifically, the Examiner asserts that use of the word "may" and various options provided in the Specification make the statements indefinite and subjective. *See* Examiner's Answer, p. 4. Appellants respectfully disagree.

Any analysis of whether a particular claim is supported by the disclosure in an application requires a determination of whether that disclosure, when filed, contained sufficient information

regarding the subject matter of the claims as to enable one skilled in the pertinent art to make and use the claimed invention. *See* MPEP 2164.01 "Test of Enablement." The standard for determining whether the specification meets the enablement requirement was decided in the Supreme Court decision of *Mineral Separation v. Hyde,* 242 U.S. 261, 270 (1916) which postured the question: is experimentation needed to practice the invention undue or unreasonable? *See* also, *In re Wands*, 858 F.2d 731, 737, 8 USPQ2d 1400, 1404 (Fed. Cir. 1988). Even though the statute does not use the term "undue experimentation," it has been interpreted to require that the claimed invention be enabled so that any person skilled in the art can make and use the invention without undue experimentation.

Firstly, the term tax engine is thoroughly described in paragraphs [0029]-[0032]. In fact, the Specification clearly states "The Tax Engine 114 works in a similar way to how Intuit Inc.'s TurboTax® product functions. TurboTax is a registered trademark of Intuit, Inc., located in Mountain View, CA. The Tax Engine 114 calculates a person's tax liability for the relevant tax year based on all the data available. It takes information from the Tax Profile 173 for the individual and applies the tax rules and calculations as determined by the Internal Revenue Service each year. These calculations require certain pieces of data which may either reside in the Tax Profile, or may be entered manually by the user." Appellants assert that TurboTax® is a well-known product that one skilled in the art would be familiar with. The aforementioned analogy alone would enable one skilled in the art to understand how the tax engine is implemented in the present invention. Further, even assuming *arguendo* that the aforementioned analogy to TurboTax® is not sufficient, paragraphs [0029]-[0032] thoroughly describe the functions and implementation of the tax engine.

With respect to the subject language pointed out by the Examiner, use of the word "may" to describe embodiments of the invention is equivalent to the use of the language "in one or more embodiments of the invention…" Such subjective language is a common way to describe embodiments of the invention so as to not limit the invention to only those embodiments and implementations described. Use of "may" and other subjective decision points in the Specification has nothing to do with whether one skilled in the art must perform undue experimentation to achieve the claimed invention. In fact, the Specification is clear, concise, and describes each element such that one skilled in the art would not be required to perform undue experimentation to arrive at the claimed invention.

In view of the above, claims 1-26 are fully enabled by the Specification, and any subjective language does not render any undue experimentation on the part of one skilled in the art. Accordingly, withdrawal of this rejection is respectfully requested.

C. Rejection(s) under 35 U.S.C. § 112, Second Paragraph

Claims 1-20 are rejected under 35 U.S.C. § 112, second paragraph, for insufficient antecedent basis for the phrase "is computed." In addition, claims 1-20 are rejected under 35 U.S.C. § 112, second paragraph, as being incomplete for omitting essential steps of the invention.

The independent claims recite, in part,

> "wherein the potential total future tax liability of the user is computed using the actual and forecasted tax data and the tax return information of the user from the tax profile."

The phrase "is computed" is recited within a "wherein" clause in the independent claims. The Examiner asserts that the phrase "is computed" must be a separate verb+ing step in the claim in order to be considered statutory. Appellant respectfully asserts that there is no such requirement in

the MPEP. In fact, the MPEP clearly states "The mere fact that a term or phrase used in the claim has no antecedent basis in the specification disclosure does not mean, necessarily, that the term or phrase is indefinite. There is no requirement that the words in the claim must match those used in the specification disclosure. Applicants are given a great deal of latitude in how they choose to define their invention so long as the terms and phrases used define the invention with a reasonable degree of clarity and precision." *See* MPEP 2173.05(e).

Further, a wherein clause recites claimed subject matter positively, and thus, does not render the claim incomplete. The determination of whether each of a wherein clause is a limitation in a claim depends on the specific facts of the case. In *Hoffer v. Microsoft Corp.*, 405 F.3d 1326, 1329, 74 USPQ2d 1481, 1483 (Fed. Cir. 2005), the court held that when a "'whereby' clause states a condition that is material to patentability, it cannot be ignored in order to change the substance of the invention." *Id.* In the instant case, the wherein clause further defines how the total future tax liability is obtained, *i.e.,* by performing a computation using the actual and forecasted tax data and the tax return information of the user from the tax profile. There is no requirement to claim the computation step in a verb+ing step.

With respect to the omission of steps, Appellants respectfully disagree with the Examiner's assertion that the claims are incomplete for omitting the essential steps listed on page 5 of the Examiner's Answer. Particularly, the Examiner appears to be asserting that each of the wherein clauses, such as the aforementioned wherein clause reciting "is computed" and the wherein clause reciting "wherein the tax profile associated with the user is stored in accessible form in a tax profile database" be changed to a verb+ing step in the claimed invention.

As described above, there is no requirement to positively recite claimed elements in a verb+ing step, as claimed elements can be positively recited in a wherein clause. Further, the Examiner states that there is no step for entering a proposed brokerage transaction into the system. Clearly, one of ordinary skill in the art would know and understand that the language reciting "providing the user with the potential total future tax liability of the user *based on a proposed brokerage transaction*" implies that the user proposes a brokerage transaction to the system at some point before the total future tax liability is computed. The Federal Circuit has held that "[t]he amount of detail required to be included in claims depends on the particular invention and the prior art, and is not to be viewed in the abstract but in conjunction with whether the specification is in compliance with the first paragraph of section 112." *Shatterproof Glass Corp. v. Libbey Owens Ford Co.*, 758 F.2d 613 (Fed. Cir. 1985). In fact, the standard for assessing whether a patent claim is sufficiently definite to satisfy the statutory requirement is "[i]f one skilled in the art would understand the bounds of the claim when read in light of the specification, [if so,] then the claim satisfies section 112 paragraph 2." *Exxon Research & Engineering Co. v. United States*, 265 F.3d 1371 (Fed. Cir. 2001) (quoting *Miles Labs., Inc. v. Shandon, Inc.*, 997 F.2d 870, 875 (Fed. Cir. 1993). In the instant case, one skilled in the art would understand the aforementioned feature of the invention without an explicit recitation of a step of entering the proposed brokerage transaction. *See Amgen, Inc. v. Chugai Pharmaceutical Co., Ltd.*, 927 F.2d 2100 (Fed. Cir. 1991) (holding that a decision as to whether a clam is invalid…requires a determination whether those skilled in the art would understand what is claimed).

In view of the above, Appellants assert that the claims are complete and that there is sufficient antecedent basis for the phrase "is computed." Accordingly, withdrawal of these rejections of claims 1-20 is respectfully requested.

D. Rejection(s) under 35 U.S.C. § 103

Claims 1-26 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Wallman.

Specifically, the Examiner relies on inherency in rejecting the claims over Wallman. Applicant respectfully asserts that the Examiner has not provided any rationale or evidence tending to show inherency *sufficient* to trigger a shift in the burden of proof from the Examiner to the Applicant in accordance with *In re Fitzgerald*, 205 USPQ 594 (CCPA 1980). Rather, "[t]o establish inherency, the extrinsic evidence '*must make clear* that the missing descriptive matter is *necessarily present* in the thing described in the reference, and that it would be so recognized by persons of ordinary skill. Inherency, however, may not be established by probabilities or possibilities. The mere fact that a certain thing *may* result from a given set of circumstances is not sufficient.'" (*In re Robertson*, 169 F.3d 743, 745, 49 USPQ2d 1949, 1950-51 (Fed. Cir. 1999) (citations omitted) (emphasis added)).

Established case law allows an Examiner to rely on any of express, implicit, and inherent disclosures in rejecting claims under §103; however, to properly rely upon the theory of inherency, "the Examiner must provide a basis in fact and/or technical reasoning to reasonably support the determination that the allegedly inherent characteristic *necessarily* flows from the teachings of the applied prior art." (*Ex parte Levy*, 17 USPQ2d 1461, 1464 (Bd. Pat. App. & Inter. 1990)). Thus, the Examiner's sole conclusive statement that the stored tax profile containing the tax return data is *inherent* lacks any rationale or evidence tending to show inherency sufficient to shift the burden of

proof to the Applicant. (*See* Examiner's Answer, p. 21). In fact, this feature is precisely what Appellants are arguing is not and cannot be considered inherent. Without the gathering of tax return data from multiple previous years and the storing of such tax return data in a tax profile particularized to a user, the computation of the total future tax liability for a user would not be possible. It is because of the manner in which tax return data is stored in the present invention that makes it possible to perform such a complex computation, *i.e.,* the total future tax liability for a user based on a brokerage transaction. Appellants respectfully assert that Wallman has no need and no reason to perform such a computation, because Wallman is completely silent with respect to storing actual and forecasted tax data particularized to a user in accessible form in a tax profile associated with the user.

Further, the Examiner asserts that because Wallman is aimed at small inventors and such small inventors would want to take into account "the overall tax results that the inventor incurs…" *See* Examiner's Answer, p. 21. Appellants respectfully assert that it is irrelevant as to the audience of the Wallman patent, whether it be small investors or a single individual. Wallman does not teach or suggest a tax profile stored in accessible form, containing both actual and forecasted tax data particular to a user. In fact, Wallman is completely silent with respect to forecasted tax data being stored in a tax profile. Wallman teaches computing a tax liability for *a particular transaction or series of transactions* (*i.e.,* selling of stocks/bonds/assets/liabilities) (*see* Wallman, col. 3, ll. 35-37). Wallman clearly states "determining the potential tax consequences that would results from trading various combinations of the plurality of asserts/liabilities, in which each of the potential tax consequences represents the potential tax consequence that would result from trading one particular subset of asserts/liabilities." *See* Wallman, col. 6, ll. 6-24.

Further, the Examiner states that col. 6, ll. 6-24, col. 6, ll. 39 – col. 7, ll. 24, and col. 7, ll. 49-58 of Wallman teaches a tax profile. See Examiner's Answer, p. 23. Appellants respectfully disagree. The cited portions of Wallman only discuss a tax basis registry that stores a basis for each asset/liability. The tax basis registry is clearly distinct from the tax profile, because the tax basis registry is associated with assets/liabilities, and does not store tax information particularized to a user. The only other entity mentioned in the cited portion of Wallman is a database which stores information to calculate tax savings from engaging in a transaction involving capital assets in the database. *See* Wallman, col. 6, ll. 10-12. The database referred to in Wallman stores capital assets. However, Wallman does not mention that the database stores forecasted tax data particularized to a user, as required by the tax profile of the claimed invention. Rather, the Examiner asserts that the storage of the tax profile information is inherent in Wallman, an argument which Appellants have already addressed exhaustively above.

IV. CONCLUSION

Thus, the Examiner's contentions do not support the rejection of claims 1-26 under 35 U.S.C. § 103(a). In view of the arguments presented in this Reply Brief, Appellants respectfully request that the Board reverse the Examiner's rejections of claims 1-20 under 35 U.S.C. § 101, claims 1-20 under 35 U.S.C. § 112, first and second paragraphs, and claims 1-26 under 35 U.S.C. § 103(a).

Dated: February 25, 2009

Respectfully submitted,

By /Robert P. Lord/

Robert P. Lord
Registration No.: 46,479
OSHA · LIANG LLP
909 Fannin Street, Suite 3500
Houston, Texas 77010
(713) 228-8600
(713) 228-8778 (Fax)

478529_2